



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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CALIFORNIA STATE TREASURER ANGELIDES COMMENTS ON REELECTION OF AIG'S BOARD AND AUDITOR

*Angelides Calls for Continued Reforms and Pressure on
Directors and Auditor who Failed Shareholders*

SACRAMENTO, CA — California State Treasurer Phil Angelides released the following comments on today's shareholder vote at the American International Group (AIG) that resulted in the reelection of the company's board of directors and the retention of PricewaterhouseCoopers as the company's auditor.

In the wake of accounting and other scandals at AIG that resulted in substantial losses to investors across the country including California's two pension funds, the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS), Treasurer Angelides, a trustee of CalPERS and CalSTRS, urged the two funds to take all possible action to recover losses the funds and taxpayers suffered as a result of AIG's alleged mismanagement and to push for reforms to protect shareholders from further harm.

CalSTRS announced today that the fund voted against all members of AIG's audit and executive compensation committees who served at the time of the scandal, with the exception of Frank Zarb, who has taken a leading role in pushing for reforms such as the removal of Maurice "Hank" Greenberg as the company's Chairman and CEO. CalPERS voted to oust all of the directors serving on the board at the time of the scandal, except Frank Zarb and the current President and CEO. Both funds voted against retaining PricewaterhouseCoopers as the company's auditor.

"I am proud that our pension funds did the right thing today. Our vote sends a strong signal that shareholders deserve boards of directors and auditors who will vigilantly protect shareholders, instead of looking the other way while shareholders, taxpayers and pensioners are fleeced by corporate wrongdoing.

"I am also pleased that our push for reform has already been successful in pushing for needed changes at AIG such as the separation of the positions of chairman and chief executive, the creation of a committee to oversee legal and regulatory compliance and public policy, and the naming of three new, independent directors. We will continue to press for additional reforms to protect shareholders and the company's bottom line, including demanding that company elections allow for shareholder nominations to the board so that directors can be truly held accountable."

Treasurer Angelides has been a national leader in corporate reform efforts – fighting to recover losses to pension funds and taxpayers due to fraud and misconduct, to clean up corporate boardrooms, and to restore confidence in our financial markets. He has also pushed to expand the ability of shareholders – the true owners of companies – to have a voice in decisions that affect company value.

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